

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 1609 – SB 2575

February 25, 2018

SUMMARY OF BILL: Prohibits end of course testing for students in grades nine through twelve. Makes the ACT exam the only exam required for high school graduation beginning in the 2018-2019 school year.

ESTIMATED FISCAL IMPACT:

On February 15, 2018, a fiscal note was issued for this bill with the following impact:

Decrease State Expenditures – \$449,800

Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined. However, the Governor's recommended budget document, on page B-81, identifies \$1,137,319,100 in federal funding for K-12 education.

Based on additional information regarding the possible loss of federal funding, the fiscal note is being corrected. The estimated fiscal impact is estimated as follows:

(CORRECTED)

Decrease State Expenditures – \$449,800

Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined.

Assumptions:

- According to the Department of Education (DOE), the combined variable cost associated with administering end-of-course (EOC) testing is approximately \$0.84 per student.
- State government is responsible for paying EOC test costs under current law; however these expenditures would no longer be required under the provisions of this legislation.

- In FY16-17, 535,495 students took EOC tests. This number is assumed to remain constant in subsequent years.
- The recurring decrease in state government expenditures estimated to be \$449,816 (\$0.84 x 535,495).
- Title 1 of the Every Student Succeeds Act (ESSA) requires that students in grades nine through twelve be administered assessments.
- Based on information from the DOE, passage of this legislation may jeopardize federal funding for K-12 schools.
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the U.S. Department of Education; however, based on information from the National Conference of State Legislatures, no state is known to have lost federal funding under the Elementary and Secondary Education Act (ESEA), No Child Left Behind (NCLB), or Every Student Succeeds Act (ESSA). Some states have come close and had to renegotiate waivers or have lost NCLB waivers.
- In FY17-18, the state received \$359,805,200 in ESEA and federal requirement funding.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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